



## DEPARTMENT OF VETERANS AFFAIRS

8320-01

Privacy Act of 1974; System of Records

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Notice of amendment to an existing system of records.

**SUMMARY:** As required by the Privacy Act of 1974, 5 U.S.C. 552a(e)(4), notice is hereby given that the Department of Veterans Affairs (VA) proposes to modify its existing system of records “Loan Guaranty Fee Personnel and Program Participant Records-VA (17VA26).”

**DATES:** Comments on the proposed modifications to the routine uses must be received no later than 30 days after date of publication in the Federal Register, on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. If no public comment is received during the period allowed for comments, the routine use will become effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Written comments may be submitted through [www.Regulations.gov](http://www.Regulations.gov); by mail or hand-delivery to the Director, Regulations Management (02REG), Department of Veterans Affairs, 810 Vermont Ave., NW, Room 1068, Washington, DC 20420; or by fax to (202) 273-9026. Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1063B, between the hours of

8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461-4902 for an appointment. (This is not a toll-free number.) In addition, during the comment period, comments may be viewed online through the Federal Docket Management System (FDMS) at [www.Regulations.gov](http://www.Regulations.gov).

**FOR FURTHER INFORMATION CONTACT:** Erica Lewis, Loan Specialist, Loan Guaranty Service, Department of Veterans Affairs, 810 Vermont Ave., NW., Washington, DC 20420, (202) 632-8823.

**SUPPLEMENTARY INFORMATION:**

The Department is proposing to amend its system of records titled “Loan Guaranty Fee Personnel and Program Participant Records-VA (17VA26),” by adding a new policy and practice for storing of records in the system to permit VA to keep records on fee personnel and program participants on paper documents maintained in file folders and as electronically scanned documents.

VA has determined that it may destroy original paper documents/records after the information has been converted to an electronic medium and is verified as a necessary and proper means of storage, and that the specific storage proposed for electronically scanned documents is appropriate.

A copy of the revised system notice has been sent to the House of Representatives Committee on Government Reform and Oversight, the Senate Committee on Homeland Security and Governmental Affairs, and the Office of Management and Budget (OMB)

as required by 5 U.S.C. 552a(r) and guidelines issued by OMB (59 FR 37906, 3791618, July 25, 1994.)

The proposed storage will be added to the system of records titled “Loan Guaranty Fee Personnel and Program Participant Records-VA (17VA26)” as published at 40 FR 38095, August 26, 1975, and amended at 52 FR 721, January 8, 1987, and 69 FR 44569, July 26, 2004.

Approved: November 8, 2013.

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Jose D. Riojas, Chief of Staff,  
Department of Veterans Affairs.

17VA26

**System Name:**

**Loan Guaranty Fee Personnel and Program Participant Records-VA**

**System location:**

Records on nonsuspended fee personnel and program participants are maintained at Department of Veterans Affairs (VA) regional offices, medical and regional office centers, VA offices, and VA centers having loan guaranty activities. Records of nonsupervised lenders and subsidiaries of supervised lenders having authority to process VA loans automatically are maintained in VA Central Office. National Control List of suspended program participants and fee personnel are maintained at VA regional offices, medical and regional office centers, VA offices, and VA centers having loan guaranty activities. A Master Control list is maintained only at VA Central Office. Address locations are listed in Appendix 1 at the end of this document.

**Categories of individuals covered by the system:**

The following categories of individuals will be covered by this system: (1) Fee personnel who may be paid by VA or by someone other than VA (i.e., appraisers, compliance inspectors, management brokers, and loan closing and fee attorneys who are not VA employees but are paid for actual case work performed), and (2) program participants (i.e., property management brokers and agents, real estate sales brokers and agents, participating lenders and their employees, title companies whose fees are

paid by someone other than VA, and manufactured home dealers, manufacturers, and manufactured home park or subdivision owners).

**Categories of records in the system:**

Records (or information contained in records) may include: (1) Applications by individuals to become VA-approved fee basis appraisers, compliance inspectors, fee attorneys, or management brokers. These applications include information concerning applicant's name, address, business phone numbers, Social Security numbers or taxpayer identification numbers, and professional qualifications; (2) applications by non-supervised lenders for approval to close guaranteed loans without the prior approval of VA (automatically); (3) applications by lenders supervised by Federal or State agencies for designation as supervised automatic lenders in order that they may close loans without the prior approval (automatically) of VA; applications for automatic approval or designation (i.e., (2) and (3)) contain information concerning the corporate structure of the lender, professional qualifications of the lender's officers or employees, financial data such as profit and loss statements and balance sheets to insure the firm's financial integrity; (4) identifying information such as names, business names (if applicable), addresses, phone numbers, and professional resumes of corporate officials or employees; (5) corporate structure information on prior approval lenders, participating real estate sales brokers or agents, developers, builders, investors, closing attorneys, or other program participants as necessary to carry out the functions of the Loan Guaranty Program; (6) records of performance concerning appraisers, compliance inspectors, management brokers, or fee attorneys on both firms and individual employees; (7) records of performance including disciplinary proceedings, concerning program

participants; e.g., lenders, investors, real estate brokers, builders, fee appraisers, compliance inspectors, and developers both as to the firm and to individual employees maintained on an as-needed basis to carry out the functions of the Loan Guaranty Program; (8) National Control Lists which identify suspended real estate brokers and agents, lenders and their employees, investors, manufactured home dealers and manufacturers, and builders or developers; and (9) a master record of the National Control List (i.e., Master Control List) which includes information regarding parties previously suspended but currently reinstated to participation in the Loan Guaranty Program in addition to all parties currently suspended.

**Authority for maintenance of the system:**

Title 38, United States Code, chapter 3, section 210(c)(1); title 38, United States Code, chapters 21 and 37.

**Routine uses of records maintained in the system, including categories of users and the purposes of such uses:**

1. The record of an individual who is covered by this system may be disclosed to a member of Congress or staff person acting for the member when the member or staff person requests the record on behalf of and at the request of that individual.
2. Any information in this system may be disclosed to a Federal, State, or local agency, upon its official request, to the extent the agency has demonstrated that it is relevant and necessary to that agency's decision on: The hiring, transfer, or retention of an employee; the issuance of a security clearance; the letting of a contract; or the issuance or continuance of a license, grant, or other benefit by that agency.

3. Any information in this system may be disclosed to a Federal, State, or local agency maintaining civil or criminal violation records, or other pertinent information such as prior employment history, prior Federal employment background investigations, and personal or educational background in order for VA to obtain information from that agency relevant to the hiring, transfer, or retention of an employee, the letting of a contract, the granting of a security clearance, or the issuance of a grant or other benefit.
4. Any information in this system which is relevant to a suspected violation or reasonably imminent violation of law, whether civil, criminal, or regulatory in nature and whether arising by general or program statute or by regulation, rule, or order issued pursuant thereto, may be disclosed to a Federal, State, local, or foreign agency charged with the responsibility of investigating or prosecuting such violation, or charged with enforcing or implementing the statute, rule, regulation, or order issued pursuant thereto.
5. Identifying information and the reasons for the suspension of builders, developers, lenders, lender employees, real estate sales brokers and agents, manufactured home dealers, manufacturers, or other program participants suspended from participation in the Loan Guaranty Program may be disclosed to the Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA), United States Department of Agriculture (USDA), Farmers Home Administration, or other Federal, State, or local agencies to enable that agency to consider imposing similar restrictions on these suspended persons and/or firms.

6. Identifying information and the performance records of qualified fee appraisers and compliance inspectors, including any information regarding their termination, non-redesignation, temporary suspension, or resignation from participation in the Loan Guaranty Program, including the records of any disciplinary proceedings, may be disclosed to Federal, State, or local, or non-government agencies, businesses, and professional organizations, to permit these entities to employ, continue to employ or contract for the services of qualified fee personnel, monitor the performance of such personnel, and take any appropriate disciplinary action.
7. Identifying information as well as other information such as educational background and former business associations may be disclosed to business and professional organizations in order for VA to obtain these organizations' recommendations concerning the performance, character, professional activities, and other qualifications relating to participation in the Loan Guaranty Program.
8. Identifying information and information concerning amounts paid to contractors, fee personnel, and other contractors, fee personnel and other program participants may be released to the Department of the Treasury, Internal Revenue Service, where required by law.
9. Any information in this system may be disclosed to a Federal Grand jury, a Federal court or a party in litigation, or a Federal agency or party to an administrative proceeding being conducted by a Federal agency, in order for VA to respond to and comply with the issuance of a Federal subpoena.
10. Any information in this system may be disclosed to a State or municipal grand jury, a State or municipal court or a party in litigation, or to a State or municipal



administrative agency functioning in a quasi-judicial capacity or a party to a proceeding being conducted by such agency, in order for VA to respond to and comply with the issuance of a State or municipal subpoena; provided, that any disclosure of claimant information made under this routine use must comply with the provisions of 38 CFR 1.511.

11. Identifying information and the reasons for suspension of individuals and/or firms suspended from the Loan Guaranty Program may be disclosed to other participants in the Loan Guaranty Program in order that they may decide whether or not to employ, or continue to employ, or contract with a suspended individual or firm.

12. Identifying information and information concerning the performance of contractors, fee personnel, and other program participants may be released to consumer reporting agencies in order that VA may obtain information on their prior dealings with other Government agencies and so that other Government agencies may have the benefit of VA's experience with such parties.

13. The names and addresses of debarred or suspended Loan Guaranty Program participants as well as the effective date and term of the exclusion may be disclosed to the General Services Administration to compile and maintain the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs."

**Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:**

**Storage:**

Records on fee personnel and program participants are kept on paper documents and maintained in file folders and as electronically scanned documents. The National Control List of suspended program participants is also maintained on magnetic disk at Central Office.

**Retrievability:**

All records are indexed or cross-indexed by the name of the individual or the firm.

**Safeguards:**

Access to VA working spaces and record file storage areas is restricted to VA employees on a “need to know” basis. Generally, VA file areas are locked after normal duty hours and are protected from outside access by the Federal Protective Service or other VA security personnel. Sensitive files involving pending suspension or a legal action are stored in separate locked files.

**Retention and disposal:**

File cards and paper documents on suspended fee personnel and program participants are maintained until there has been a notification that the suspension has been terminated and the party reinstated into the Loan Guaranty Program, at which time these records are destroyed by VA regional offices or centers. The Master Control List records are retained indefinitely. Records on fee personnel and program participants are retained for various periods extending up to 2 years after all loans have been liquidated. Destruction of all the above records is accomplished by either shredding or burning.

**System manager(s) and address:**

Director, Loan Guaranty Service (26), VA Central Office, Washington, DC 20420.

**Notification procedure:**

An individual who wishes to determine whether a record is being maintained in this system under his or her name or other personal identifier or wants to determine the contents of such record should submit a written request or apply in person to the nearest VA Regional Loan Center. Address locations are listed in VA Appendix 1 at the end of this document. All inquiries must reasonably identify the relationship of the individual with the Loan Guaranty Program. Inquiries should include the individual's name, address, firm represented, if any, and capacity in which the individual participates or participated in the Loan Guaranty Program. However, some of the records in this system are exempt from the notification requirement under 5 U.S.C. 552a(k). To the extent that records in this system of records are not subject to exemption, they are subject to notification. A determination as to whether an exemption applies shall be made at the time a request for notification is received.

**Record access procedures:**

An individual seeks access to or wishes to contest records maintained under his or her name on this system may write, call, or visit the nearest VA Regional Loan Center. Address locations are listed in VA Appendix 1 at the end of this document. However, some of the records in this system are exempt from the record access and contesting requirements under 5 U.S.C. 552a(k). To the extent that records in this system of records are not subject to exemption, they are subject to access and contest. A determination as to whether an exemption applies shall be made at the time a request for access or contest is received.

**Contesting record procedures:**

(See "Record access procedures" above.)

**Record source categories:**

The information and the records in this system are obtained from the applicant, lenders, brokers and builder/sellers, credit and financial reporting agencies, an applicant's credit sources, depository institutions and employers, independent auditors and accountants, hazard insurance companies, taxing authorities, title companies, fee personnel, business and professional organizations, other VA records, other Federal, State, and local agencies, and other parties of interest involving VA-guaranteed, insured, vendee or direct loans or specially adapted housing.

**Systems exempted from certain provisions of the act:**

The Secretary of Veterans Affairs has exempted this system of records from the following provisions of the Privacy Act of 1974, as permitted by 5 U.S.C. 552a(k)(2) and (5).

5 U.S.C. 552a(c)(3)

5 U.S.C. 552a(d)

5 U.S.C. 552a(e)(1)

5 U.S.C. 552a(e)(4)(G), (H), and (I)

5 U.S.C. 552a(f)

**Reasons for exemptions:**

The exemption of information and material in this system of records is necessary in order to accomplish the law enforcement functions of the Loan Guaranty Service to prevent subjects of internal audit investigations for potential fraud and abuse in the VA Loan Guaranty Program from frustrating the investigatory process, to fulfill commitments made to protect the confidentiality of sources, to maintain access to sources of information, and to avoid endangering these sources. This information is also being exempted to maintain the confidentiality and integrity of material compiled solely for the purpose of determining the suitability, eligibility, or the qualifications of prospective VA program participants.

## **VA Appendix 1**

### **VA Regional Offices with Loan Activities**

Veterans should call the telephone numbers listed to obtain information or assistance with the VA Home Loan program. For more information or to search for a facility near you by jurisdiction, visit

[http://www.benefits.va.gov/homeloans/contact\\_rlc\\_info.asp](http://www.benefits.va.gov/homeloans/contact_rlc_info.asp) or call (877) 827-3702.

Please send address and telephone number corrections to:

Department of Veterans Affairs, Loan Guaranty Service (26), 810 Vermont Ave. NW, Washington, DC 20420.

#### **Atlanta Regional Loan Center**

***Jurisdiction for Georgia, North Carolina, South Carolina, Tennessee:***

Office: 1700 Clairmont Road, Decatur, GA 30033-4032

Mail: P.O. Box 100023, Decatur, GA 30031-7023

Phone: 1-888-768-2132

#### **Cleveland Regional Loan Center**

***Jurisdiction for Connecticut, Delaware, Indiana, Maine, Massachusetts, Michigan,***

***New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island,***

***Vermont:***

Office and Mail: 1240 East, Ninth Street, Cleveland, OH 44199

Phone: 1-800-729-5772

## **Denver Regional Loan Center**

***Jurisdiction for Alaska, Colorado, Idaho, Montana, Oregon, Utah, Washington,***

***Wyoming:***

Office: 155 Van Gordon Street, Lakewood, CO 80228

Mail: Box 25126, Denver, CO 80225

Phone: 1-888-349-7541

## **Honolulu Regional Office (Loan Guaranty Division)**

***Jurisdiction for Hawaii, Guam, American Samoa, Commonwealth of the Northern***

***Marianas:***

Office and Mail: 459 Patterson Road, Honolulu, HI 96819

Phone: 1-808-433-0481

## **Houston**

***Jurisdiction for Arkansas, Louisiana, Oklahoma, Texas:***

Office and Mail: 6900 Almeda Road, Houston, TX 77030-4200

Phone: 1-888-232-2571 Ext. 1855

## **Phoenix**

***Jurisdiction for Arizona, California, New Mexico, Nevada:***

Office and Mail: 3333 N. Central Avenue, Phoenix, AZ 85012-2402

Phone: 1-888-869-0194

**Roanoke**

***Jurisdiction for District of Columbia, Kentucky, Maryland, Virginia, West Virginia:***

Office: 210 First Street, Roanoke, VA 24011

Mail: 116 N. Jefferson Street, Roanoke, VA 24016

Phone: 1-800-933-5499

**St. Paul**

***Jurisdiction for Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North***

***Dakota, South Dakota, Wisconsin:***

Office and Mail: 1 Federal Drive, Ft. Snelling, St. Paul, MN 55111-4050

Phone: 1-800-827-0611

**St. Petersburg**

***Jurisdiction for Alabama, Florida, Mississippi, Puerto Rico, U.S. Virgin Islands:***

Office: 9500 Bay Pines Boulevard, St. Petersburg, FL 33708

Mail: P.O. Box 1437, St. Petersburg, FL 33731

Phone: 1-888-611-8916



[FR Doc. 2013-28714 Filed 11/27/2013 at 8:45 am; Publication Date: 11/29/2013]